

The Metropolitan Government of
Nashville and Davidson County

Fiscal Year 2003

Budget in Brief

Web version



August 2002

Bill Purcell, Mayor

The ***Budget in Brief*** is a condensed version of the Nashville-Davidson County Government's 2002-03 Budget. If you would like more detailed information on specific departments, divisions or programs of the Government; debt service schedules, financial trends, revenue sources and performance indicators, you should examine the Annual Budget document. A copy of the Annual Budget is available for public inspection at any of the following locations:

<http://www.nashville.gov/finance/>

Office of Management and Budget

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Nashville, TN 37201

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Council Staff Office

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The Metropolitan Government of Nashville and Davidson County

Bill Purcell
Metropolitan Mayor

Metropolitan Council

Vice Mayor Pro Tem Howard Gentry, Jr.

At Large	Chris Ferrell	District 16	Amanda McClendon
At Large	Leo Waters	District 17	Ronnie Greer
At Large	David Briley	District 18	Ginger Hausser
At Large	Carolyn Baldwin Tucker	District 19	Ludye N. Wallace
At Large	Vacant	District 20	Morris B. Haddox
District 1	Brenda Gilmore	District 21	Edward Whitmore
District 2	Melvin Black	District 22	Norma Hand
District 3	Ron Nollner	District 23	Bob Bogen
District 4	Don Majors	District 24	John Summers
District 5	Lawrence Hall, Jr.	District 25	Jim Shulman
District 6	Eileen Beehan	District 26	Michelle Arriola
District 7	Earl Campbell	District 27	Janis Sontany
District 8	Lawrence Hart	District 28	Jason Alexander
District 9	James Dillard	District 29	Saletta Holloway
District 10	Bettye R. Balthrop	District 30	Michael Kerstetter
District 11	Feller Brown	District 31	Don Knoch
District 12	Phil Ponder	District 32	Craig A. Jenkins
District 13	Tony Derryberry	District 33	Ron Turner
District 14	Bruce Stanley	District 34	Lynn Williams
District 15	J. B. Loring	District 35	Vic Lineweaver

1999 - 2003 term

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**Metropolitan
Government of
Nashville and
Davidson
County**

Bill Purcell Mayor

August 1, 2002

Dear Fellow Citizens:

The past year presented extraordinary challenges to our city and our nation. In order to meet those challenges, the budget for fiscal year 2002-2003 was put together with an eye toward careful stewardship of tax dollars balanced with attention to our priorities and our will to meet the needs of our city. This budget was unanimously approved by the Metro Council and reflects the strong consensus in our city on the following priorities and budget objectives.

- To fully fund our schools
- Assure public safety
- Provide a quality of life that enhances our community and neighborhoods
- Provide a fair and sustaining income for our employees

The budget accomplishes these goals. It totals \$1.3 billion dollars and is balanced and is fully funded.

The budget reflected the careful attention we have paid to management of our business and careful stewardship of your money that I promised. Because of good stewardship this budget meets the needs of Nashville going forward without a tax increase, which means that in the FY 2002-2003 we will remain the lowest tax major city in Tennessee.

Good management requires good investment decisions. In the business of the city, education is the most important product. Last year we completed an historic performance audit and began a five-year investment program in operating and capital needs. We asked the school system to implement the audit findings and they have. We asked the school system to hire a new CEO who could manage our education system, implement necessary change, and improve results, and they hired Dr. Pedro Garcia who is just such a leader. And the school board and Dr. Garcia have promised improved performance this year and every year to come.

Having completed more than 250 school visits I can personally report change and improvement is apparent in every school in this city. Therefore this budget includes a \$30 million increase in operating funds for our schools.

The events of September 11th touched everyone in this nation, all at the same time. We shared sorrow as perhaps never before, and were educated as never before about the service and sacrifice of the men and women who provide our public safety. In Nashville we mourned with our neighbors, then moved quickly to take stock of our own security. What we found was reassuring. After two years of unprecedented investment in personnel, equipment, and technology, our police and fire departments are better prepared than ever before. The dividends are clear: lower response times generally and the lowest homicide rate in a generation.

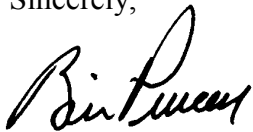
This budget funds the recommendations of the performance audit of the police department. The audit presented a plan for putting more police officers on the streets and in the neighborhoods of our city. In funding these recommendations we will enhance public safety.

The budget will enhance the quality of life in our neighborhoods by funding a new and improved recycling program for the city. It also delivers on the recommendations of our performance audit of the Department of Public Works to improve the sidewalks, streets and bikeways of our neighborhoods.

Because we value the work our Metro employees do as they are called to do it, we maintain our commitment to market-based salaries for our workers. The baseline was set last year when the city hired William M. Mercer, Inc. to determine the facts as they do for private and public employers around the world. This budget funds these recommendations. It provides a three percent across the board increase to keep our workers competitive so that our citizens can receive the quality of services they deserve.

This budget sets the stage for Nashville to move ahead on our objectives and priorities in this year and the years ahead. It is a conservative budget that balances the needs of the city with the resources available.

Sincerely,



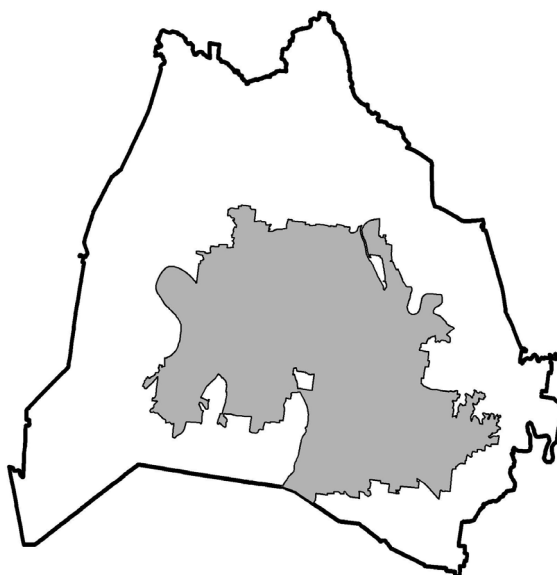
Bill Purcell
Mayor

The Metropolitan Government of Nashville and Davidson County

The Metropolitan Government of Nashville and Davidson County (Metro) was formed in 1963 with the merger of the governments of the former City of Nashville and Davidson County. Metro Nashville is a progressive city with a diverse economy, strong transportation links, and many institutions of higher education. It is the capital of Tennessee and the largest city in the mid-state.

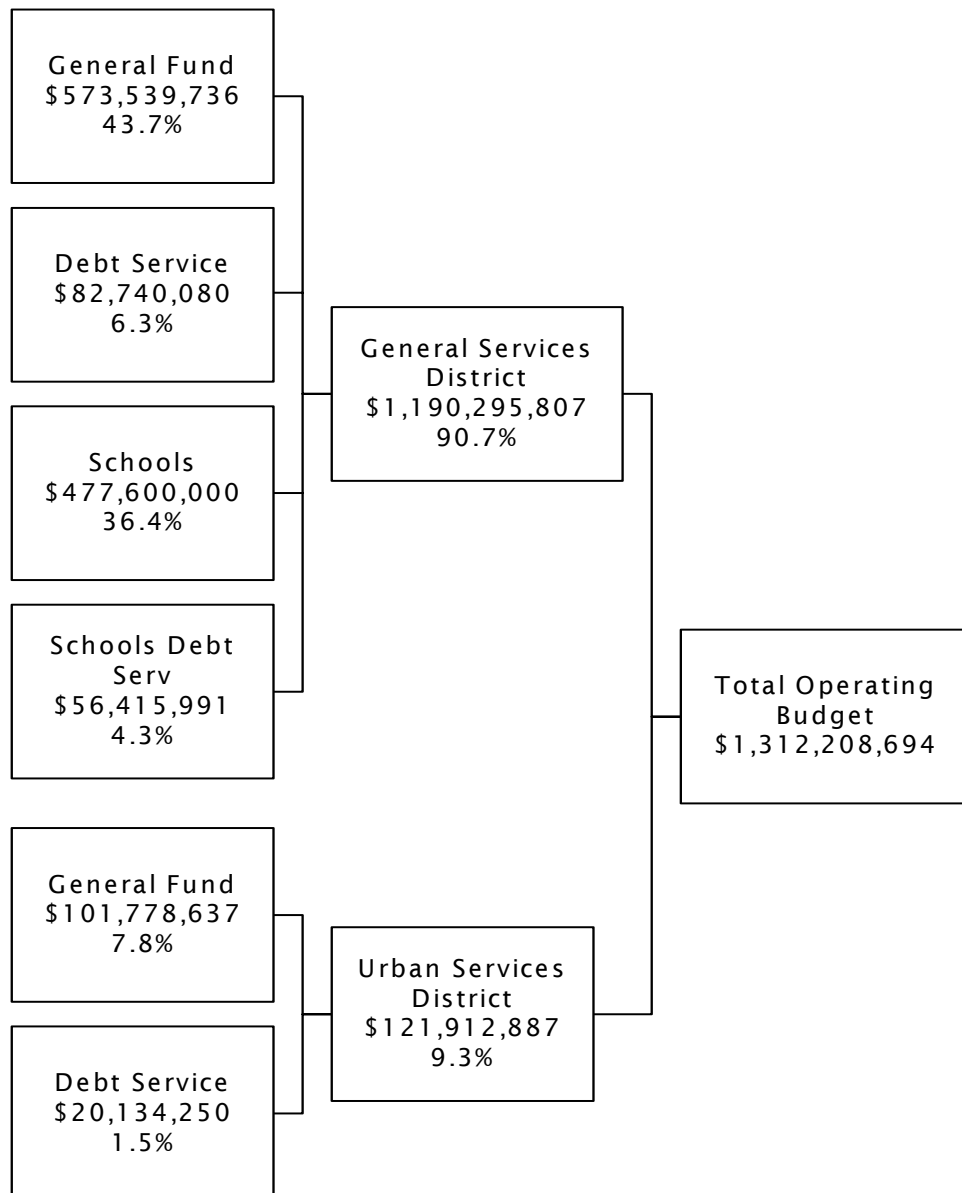
Metro is divided into two districts: the General Services District (GSD) and the Urban Services District (USD). The GSD is synonymous with Davidson County; the USD is the old City of Nashville plus certain areas added since Metro was formed.

The geographic areas, purposes, and functions of these two districts determine the way services are budgeted and provided in Metro. The two districts relate services provided to taxes paid. The GSD receives a base level of services; its property is taxed at the GSD rate to fund these services. The USD receives more of certain services (garbage collection, streetlights, and increased fire and police protection) that are funded by an additional USD property tax rate.



The USD (shaded area) is a subset of the GSD (Davidson County)

Organization of the Operating Budget
Six Budgetary Funds



(Percentages may not total 100% due to rounding.)

Budget Summary

On June 20, 2002, the Metropolitan Council approved an operating budget for Fiscal Year 2003 of \$1,312,208,694. This budget consists of six **budgetary funds** in two districts: the General Services District (GSD) and the Urban Services District (USD). The six funds in two districts make it possible to define tax allocation and service delivery in each district and fund. Appropriations cannot be transferred between funds and/or districts. A description of these six funds is given on the following page.

Summary of the FY 2003 Budget - Six Budgetary Funds

	GSD General Fund*	GSD Debt Service	GSD School Fund	GSD School Debt Svc	USD General Fund	USD Debt Service	Duplicated by Interfund Transfers	Total
Estimated Revenues:								
Property Taxes	\$267,144,085	\$58,125,989	\$172,763,183	\$27,178,343	\$75,276,364	\$9,470,848	\$0	\$609,958,812
Local Option Sales Tax	79,509,853	2,000,000	146,207,445	14,948,019	1,067,879	0	0	243,733,196
Grants & Contributions	81,839,799	1,455,000	148,562,668	0	9,747,645	0	0	241,605,112
All Other Revenues	112,874,432	13,787,515	7,083,991	1,030,340	11,752,519	8,871,285	(7,163,285)	148,236,797
Fund Balance Appropriations	35,917,954	10,788,474	2,982,713	13,259,289	3,934,230	1,792,117	0	68,674,777
Total Revenues	\$577,286,123	\$86,156,978	\$477,600,000	\$56,415,991	\$101,778,637	\$20,134,250	(\$7,163,285)	\$1,312,208,694
Appropriated Expenditures:								
General Government	97,086,083	0	0	0	25,026,638	0	(1,054,234)	121,058,487
Fiscal Administration	21,359,829	0	0	0	0	0	0	21,359,829
Administration of Justice	42,890,268	0	0	0	0	0	0	42,890,268
Law Enforcement & Jails	164,953,968	0	0	0	481,000	0	(481,000)	164,953,968
Fire Prevention & Control	27,927,212	0	0	0	57,820,955	0	0	85,748,167
Regulation & Inspection	32,876,385	0	0	0	1,212,258	0	0	34,088,643
Conservation of Resources	436,927	0	0	0	0	0	0	436,927
Public Welfare	13,756,083	0	0	0	0	0	0	13,756,083
Public Health	39,910,942	0	0	0	0	0	(2,194,903)	37,716,039
Public Library System	18,093,049	0	0	0	0	0	0	18,093,049
Recreational & Cultural	72,341,443	0	0	0	135,440	0	0	72,476,883
Public Works	44,828,934	0	0	0	17,102,346	0	(16,250)	61,915,030
Education	0	0	477,600,000	0	0	0	0	477,600,000
Debt Service	0	86,156,978	0	56,415,991	0	20,134,250	(3,416,898)	159,290,321
Reserves	825,000	0	0	0	0	0	0	825,000
Total Expenditures	\$577,286,123	\$86,156,978	\$477,600,000	\$56,415,991	\$101,778,637	\$20,134,250	(\$7,163,285)	\$1,312,208,694
Projected Surplus or (Deficit)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Budgetary Funds

- Two **General Funds** (GSD and USD), 51.5% of the total, provide basic operating services of the government such as police and fire protection, parks and recreation, libraries, courts, health, public works, and other community services. These funds receive property and sales taxes, charges for services, fees, fines, penalties, and other revenues.
- Three **Debt Service Funds** (GSD, USD, and Schools), comprising 12.1% of the operating budget, finance the payment of interest and principal on long-term general obligation debt of each district.
- The **School Fund**, 36.4% of the total, is Metro's largest special revenue fund. It is a budgetary fund since it is supported partly by property and local option sales taxes, while other special revenue funds are not.

Metro also operates other funds that receive minor or no tax support. These **non-budgetary funds** include:

- **Internal Service Funds**, such as Fleet Management and Information Systems, provide services to Metro departments on a charge-back basis.
 - **Enterprise Funds** are primarily self-supported through charges to the public for services. These include the Convention Center, Farmers' Market, State Fair, Water and Sewer Services, General Hospital, and Bordeaux Hospital.
 - **Capital Projects Funds** are used for public improvements of significant cost and/or economic life. Financing is generally through revenue and general obligation bonds.
 - **Trust and Agency Funds** account for monies held for others.
 - **Special Revenue Funds** are legally restricted for expenditure for specified purposes, such as the Schools Fund. Another special revenue fund, the **Four Percent Reserve Fund**, receives 4% of all original GSD revenues to purchase capital equipment and structural repairs for departments that operate within the GSD General Fund.
-

Selected Tax Rates

The Metro budget is financed by a variety of taxes, fees, grants, and other revenues. Some of the most significant taxes and fees are summarized here.

Property Tax - The property tax is based on the appraised (estimated market value) of property. For a piece of property, the tax is calculated as:

$$(\text{appraised value} \times \text{assessment rate}) \times (\text{tax rate} / 100)$$

Tax rates (per \$100 of assessed value) and assessment rates are shown in the tables at right. Property in the GSD is taxed at the GSD rate (plus any city rate if the property is in a satellite city); property in the USD is taxed at the combined rate.

Certain types of property (governmental, religious, charitable, scientific, educational, etc.) are exempt. Metro and the state assist the elderly and disabled with taxes on the first \$18,000 market value of their homes through the Property Tax Relief program.

Local Option Sales Tax - Nashville's sales tax is levied on all retail sales in Davidson County. The 9.25% rate consists of a 7.00% state tax and a 2.25% local option rate (limited to the first \$1,600 of the cost of each item). Metro allocates 2/3 of its portion (1.50%) to schools and 1/3 (0.75%) to the general funds, with almost all the latter going to the GSD General Fund.

Property Tax Rates	
GSD General	1.94
Debt Service	.43
Schools	1.27
Schools Debt Service	.20
GSD Rate	3.84
USD General	.64
Debt Service	.10
USD Rate	.74
Combined GSD+USD	4.58
Memo - Fire Transfer	.09

Assessment Rate (% of appraised value) by Property Class	
Residential & Farm	
Real Property	25%
Personal Property*	5%
Commercial & Industrial	
Real Property	40%
Personal Property	30%
Public Utility	55%
* Note: \$7,500 exemption	

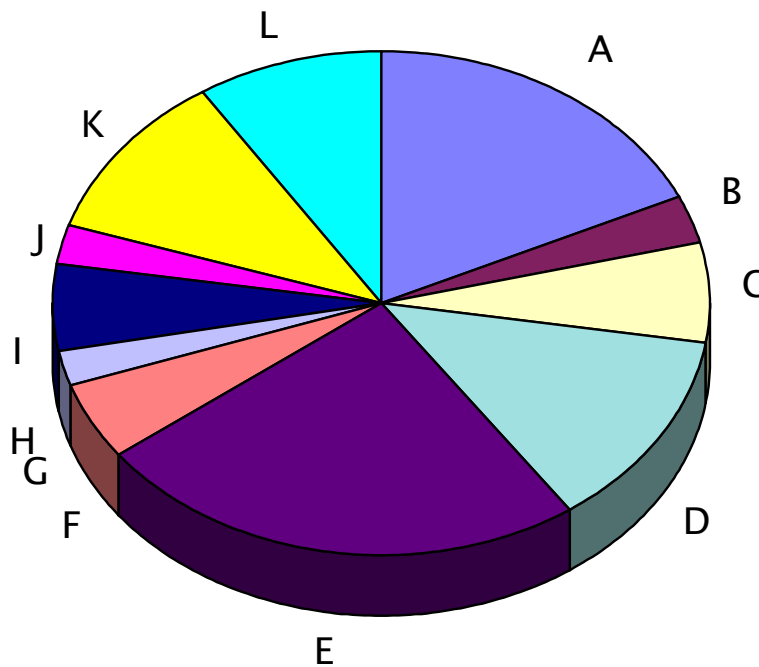
Local Income or Occupational Privilege Tax - None.

Commercial Vehicle Wheel Tax - \$46 per vehicle per year.

Motor Vehicle License Fees - \$35 per vehicle per year.

Hotel Occupancy Privilege Tax - 5% of the room cost, over and above the sales tax. Of the 5%, 1% goes to the GSD General Fund.

**General Fund Expenditures
GSD and USD
\$675.3 million**



■ A - General Government - \$121.88 (18.0%)
■ B - Fiscal Administration - \$21.36 (3.2%)
■ C - Administration of Justice - \$42.89 (6.4%)
■ D - Fire Prevention & Control - \$85.75 (12.7%)
■ E - Law Enforcement & Jails - \$164.95 (24.4%)
■ F - Regulation & Inspection - \$34.09 (5.0%)
■ G - Conservation of Resources - \$0.44 (0.1%)
■ H - Public Welfare - \$13.76 (2.0%)
■ I - Public Health - \$37.72 (5.6%)
■ J - Public Libraries - \$18.09 (2.7%)
■ K - Recreational & Cultural - \$72.48 (10.7%)
■ L - Public Works - \$61.92 (9.2%)

General Fund Services

This section describes General Fund expenditures by function. For each function we note the size of the budget, the percentage of total GSD+USD general fund expenditures (in parentheses) and the corresponding full-time-equivalent (FTE) positions.

For each of these major functions, details are given of any significant changes in the FY 2003 budget. These may include cost-saving initiatives as well as any major changes to the programs administered within each function.

General Government

\$121,883,487 – (18.0%) – 398.9 FTE

General Government includes the Mayor, Council Office, Election Commission, Legal Department, Planning Commission, and various other support agencies. The Mayor and Council are the elected executive and legislative branches of Metro Nashville. The Election Commission maintains voter registration files and conducts all elections for Davidson County and the six incorporated satellite cities. The Legal Department provides complete legal advice, risk management and related services to all levels of the administrative, legislative, and the operational divisions of the government. The Planning Commission acts as the official planning agency for the government and coordinates zoning matters.

This group includes payments for Metro's insurance programs, retirement match payments, contingencies, pay plan improvements, and various subsidies. The largest single transfer from this group is \$18,043,680 to the Four Percent Reserve Fund.

In addition to the normal funding within Administration, this budget also includes \$825,000 to be held in reserves. These reserves include \$350,000 for the Council Infrastructure Improvement Program, \$350,000 for the Minority Development Loan Fund, \$100,000 for the Nashville Stand For Children Program, and \$25,000 for the Council Graffiti Abatement Program.

The FY 2003 budget includes funds for:

- Enhanced security for the Criminal Justice Center, Stahlman, Howard Office, and 222 buildings as part of the increases for Homeland Security.
 - The transfer of all Juvenile Justice Center building maintenance from the Juvenile Court to General Services.
-

- The creation of the Office of Children and Youth as recommended by the Madeline Project.
- The staffing and technology needs for the Record Center per the Records Management Study completed in May, 2002.
- The staffing and other costs associated with the Office of Affordable Housing (reimbursed by MDHA).
- Internal support of Metro's operations totaling \$24,267,863.
- Employee benefits, including insurance, retirement, unemployment compensation, etc. totaling \$59,042,779.
- Contingency amounts totaling \$6,776,200.

Fiscal Administration**\$21,359,829 – (3.2%) – 339.5 FTE**

Fiscal Administration includes the Department of Finance, Tax Assessor, Tax Collections (Trustee), and the County Clerk. The Finance Department has the responsibility to administer the financial affairs of the government in accordance with applicable provisions of the Charter, ordinances, and principles and practices of sound municipal fiscal administration. The Tax Assessor (or Assessor of Property) appraises and assesses all real and personal property, both tangible and intangible, located within Davidson County for the purposes of taxation. The Trustee is charged with collecting the county's real property tax, public utility tax, and personal property tax each year. The County Clerk collects state and local motor vehicle fees and taxes and the state sales tax for title registration.

The FY 2003 budget includes funds for:

- \$300,000 to fund a disparity study for the Office of Minority and Small Business.
 - \$160,000 to pay for program costs to comply with the requirements of the Americans With Disabilities Act.
 - Two additional staff and increased funding for the Office of Minority and Small Business.
 - Hearing Officers to assist the Board of Equalization for appeals.
-

Administration of Justice**\$42,890,268 – (6.4%) – 693.2 FTE**

This category includes the District Attorney, Public Defender, Juvenile Court, General Sessions Court, State Trial Courts, Justice Information System, and the Juvenile, Criminal, Chancery, and Circuit Court Clerks.

The FY 2003 budget includes funds for:

- \$378,000 for rent due to the relocation of the Public Defender's Office from the Stahlman Building.
- \$300,000 for a Juvenile Drug Court Program.
- \$200,000 contingency to pay for additional Judicial Commissioners for the General Sessions Court
- \$75,500 to pay for a Pre-Trial Service Manager position for the Probation Division of the Juvenile Court.
- \$43,428 to pay for a Spanish-speaking criminal investigator position in the Public Defender's Office.
- \$20,000 for a management audit to examine public services and cost collection processes in the Clerk and Master's Office.

Fire Prevention and Control**\$85,748,167 – (12.7%) – 1,258.0 FTE**

The Fire Department provides efficient emergency services that result in minimizing life-threatening and property-damaging situations within the city. The Firefighting Services Division provides inspection and prevention functions as well as fire suppression. In addition, it provides emergency medical first responder services to support the Ambulance Division in providing Class "A" Emergency Medical Services.

The FY 2003 budget includes funds for:

- \$5,330,700 for pay plan and fringe benefit adjustments.
 - \$1,196,264 for fleet management consolidation net adjustments.
 - \$351,800 for additional Fire Suppression overtime in the USD.
 - \$100,000 for medical supply cost increases.
 - \$107,900 net increase for Paramedic cross-training.
-

Law Enforcement and Care of Prisoners \$164,953,968 – (24.4%) – 2,481.9 FTE

This includes the Police Department and the Sheriff's Office. Under the Metropolitan Charter, the Police Department is charged with countywide law enforcement, while the Sheriff's Office houses pre-trial detainees, convicted misdemeanants and certain convicted felons, and serves warrants.

The FY 2003 budget includes funds for:

- \$1,891,800 for Corrections Corporation of America contract increases.
- \$1,255,400 to implement Police performance audit recommendations.
- \$837,000 for School Resource Officers.
- \$300,000 for the Council Community Policing and Traffic Calming Programs.

Regulation, Inspection, & Econ. Development \$34,088,643 – (5.0%) – 109.0 FTE

The Regulation, Inspection, & Economic Development category includes three departments: Codes Administration, Transportation Licensing Board, and the Beer Board. Codes Administration is charged with ensuring that buildings are constructed and maintained in a safe condition. The Transportation Licensing Board licenses and regulates all taxicabs and wreckers operating within Davidson County. The Beer Board is responsible for licensing, regulating, and controlling the transportation, storage, sale, distribution, possession, receipt and /or manufacture of beer with an alcoholic content of not more than five percent (5%) by weight.

The FY 2003 budget includes funds for:

- \$40,000 in salary costs for a Neighborhood Coordinator to design, plan, and implement a volunteer program for neighborhood code enforcement of routine, exterior code violations.
- \$11,200 to pay for fringe benefits of the Neighborhood Coordinator.

Conservation of Natural Resources \$436,927 – (0.1%) – 11.4 FTE

The city government participates in the conservation of natural resources through two agencies: the Agricultural Extension Service and Soil and Water Conservation. The largest of these is the Agricultural Extension Service, which

provides Davidson County residents useful and practical information on subjects related to agriculture and the home.

There were no significant changes in these departments' FY 2003 budgets.

Public Welfare

\$13,756,083 – (2.0%) – 329.4 FTE

Social Services provides general assistance, care, and service on a short or long term basis to residents of Nashville who are unable to support or care for themselves or develop their potentials satisfactorily. Social Services helps them to achieve the highest possible levels of self-support, independent functioning and family and social relationships.

Social Services operates a residential facility for the elderly along with an adult day care center, a residential facility for youth, a nutrition program, a homemaker program, a refugee assistance program, and contracts for JTPA/JOBS training. Beginning in FY 2003, "Caring For Children" will be reported as a separate department from Social Services.

The Human Relations Commission works to protect and promote all people's personal dignity, safety, health, security, peace, and general welfare.

The FY 2003 budget includes funds for:

- \$822,000 to extend the "Caring for Children" Program to increase family support services in the community.
- A reduction of (\$702,935) for termination of residential treatment contracts.
- \$108,000 for homemaker and nutrition services programs.

Public Health

\$37,716,039 – (5.6%) – 526.6 FTE

Assuring that the citizens of Nashville's health and welfare are protected continues to be of major importance in the budget. The Metro Health Dept. is responsible for promoting the health of the community. Due to the availability of state-funded TennCare services, the department eliminated many of its primary health care services as its resources are focused toward other priorities and traditional preventative programs.

In FY 1996, hospital operations were moved from the general fund to two enterprise funds (General Hospital and Bordeaux Hospital) that generate their own revenues and receive supplements from the GSD General Fund. In FY 2000, these GSD General Fund supplements were moved from this function to the General Government function.

The FY 2003 budget includes funds for:

- \$3,050,000 for operations of the Medical Examiner's Office, including \$2,540,000 in contract costs plus \$510,000 for rent expense.
- \$498,000 for Correctional Health Services to pay for inmate dialysis.
- \$300,600 to reopen the East Health Center Dental Clinic.
- \$282,500 for the "Bridges To Care" Program's prescription medication provision.

Public Library System

\$18,093,049 – (2.7%) – 355.5 FTE

The Public Library collects and makes accessible to the public printed, electronic, audiovisual, nonprint, and broadcast information materials to facilitate the informal self-education of all persons including the disabled. The Public Library strives to enrich and develop the knowledge of persons undertaking formal education, encourage recreational reading, and meet the day-to-day informational needs of all citizens.

The FY 2003 budget includes funds for:

- \$120,500 for telephone costs to convert all public access text terminals to personal computers.
- \$38,300 to upgrade the speed of computer connections.

Recreational, Cultural, & Comm. Support

\$72,476,883 – (10.7%) – 514.3 FTE

The Metro Parks Department is responsible for providing and maintaining sufficient acreage and facilities to offer the most diversified recreational services possible, ensuring that all citizens, regardless of income level, have equal opportunity and choice of participation. The Municipal Auditorium is a public-service oriented entertainment facility that seeks to attract a broad spectrum of events for the Nashville community and the Middle Tennessee

area. The Metro Arts Commission provides leadership that stimulates and advances the arts to enrich the human experience for the community. Contribution for the Arts administers allocated funds through the Metro Nashville Arts Commission. The Sports Authority acts as financing authority and landlord for the Gaylord Entertainment Center and Adelphia Coliseum.

The FY 2003 budget includes funds for:

- \$250,000 for an increase in our contribution for the Arts.
- \$51,200 for a Sales Manager to generate additional business for the Municipal Auditorium.
- \$30,000 for a consultant to begin a community public art education initiative.

Public Works, Streets, & Refuse Disposal \$61,915,030 – (9.2%) – 421.0 FTE

Public Works is responsible for the engineering, maintenance, construction, and repair of streets, roads, bridges, guardrails, storm sewers, sidewalks, traffic signs and signals, operation of parking facilities, and to manage a stormwater Water Quality Program.

The FY 2003 budget includes funds for:

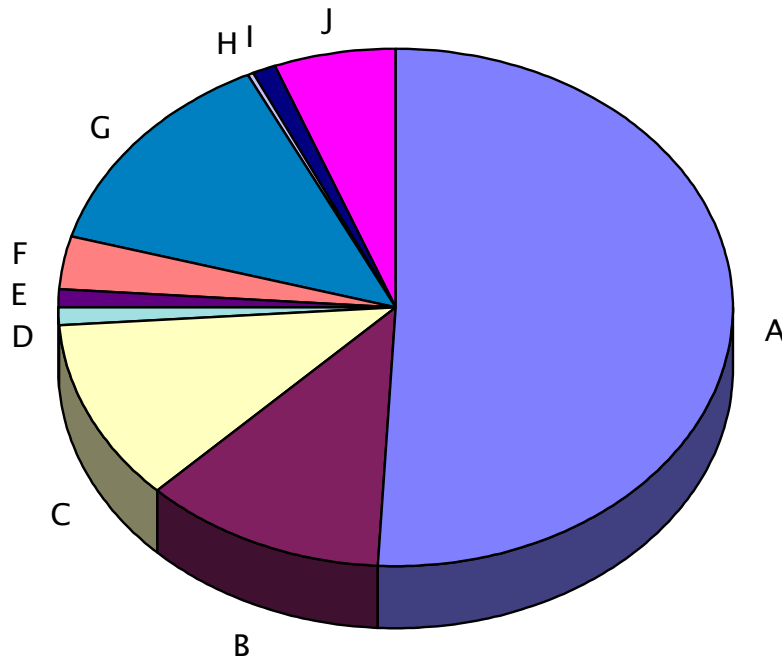
- \$1,496,059 to implement the changes recommended by the performance audit from Maximus, completed on May 10, 2002.
- \$106,737 to pay for two neighborhood cleanups per year.
- A reduction of (\$2,113,356) to transfer all remaining Stormwater functions to the Water and Sewer Department.

The table on the next page shows the budget for each general fund department by district (GSD and USD). The interfund transfers are budgetary transfers from a department's budget in one district to the same department's district in the other district; these duplications are subtracted to calculate a department's total budget in both districts combined. The table also shows each department's budgeted full-time-equivalent positions (FTEs).

General Fund FY 2003 Budgeted Expenditures by Department

<u>Department</u>	<u>GSD General</u>	<u>USD General</u>	<u>Interfund Transfers</u>	<u>Total General</u>	<u>FTEs</u>
01 Administrative (with Reserves)	134,673,050	26,374,336	-951,234	160,096,152	0.0
02 Metropolitan Council	1,392,746	0	0	1,392,746	49.0
03 Metropolitan Clerk	839,273	0	0	839,273	10.5
04 Mayor	3,629,605	0	0	3,629,605	52.0
05 Election Commission	2,990,575	0	0	2,990,575	35.5
06 Law	4,109,184	0	-103,000	4,006,184	52.0
07 Planning Commission	3,669,010	0	0	3,669,010	51.5
08 Human Resources	4,328,989	0	0	4,328,989	63.0
09 Register of Deeds	405,716	0	0	405,716	0.0
10 General Services	9,072,159	0	0	9,072,159	55.4
11 Historical Commission	470,765	0	0	470,765	7.0
13 Community Education Alliance	518,385	0	0	518,385	13.0
14 Metro Information Systems	599,472	0	0	599,472	10.0
15 Finance	9,282,120	0	0	9,282,120	138.0
16 Assessor of Property	6,574,521	0	0	6,574,521	92.5
17 Trustee	2,018,973	0	0	2,018,973	31.0
18 County Clerk	3,484,215	0	0	3,484,215	78.0
19 District Attorney	3,749,642	0	0	3,749,642	81.0
21 Public Defender	4,484,639	0	0	4,484,639	61.5
22 Juvenile Court Clerk	1,366,286	0	0	1,366,286	37.0
23 Circuit Court Clerk	2,882,761	0	0	2,882,761	64.0
24 Criminal Court Clerk	4,381,132	0	0	4,381,132	93.5
25 Clerk and Master - Chancery	1,303,252	0	0	1,303,252	22.0
26 Juvenile Court	8,863,306	0	0	8,863,306	111.0
27 General Sessions Court	8,497,498	0	0	8,497,498	136.2
28 State Trial Courts	4,783,725	0	0	4,783,725	69.0
29 Justice Information System	2,578,027	0	0	2,578,027	18.0
30 Sheriff	49,271,939	0	0	49,271,939	616.9
31 Police	115,682,029	481,000	-481,000	115,682,029	1,865.0
32 Fire	27,927,212	57,820,955	0	85,748,167	1,258.0
33 Codes Administration	6,683,707	0	0	6,683,707	99.0
34 Beer Board	343,771	0	0	343,771	6.0
35 Agricultural Extension	361,462	0	0	361,462	10.4
36 Soil and Water Conservation	75,465	0	0	75,465	1.0
37 Social Services	12,558,263	0	0	12,558,263	242.0
38 Health	39,910,942	0	-2,194,903	37,716,039	526.6
39 Public Library	18,093,049	0	0	18,093,049	355.5
40 Parks	27,364,050	0	0	27,364,050	495.2
41 Arts Commission	2,522,562	0	0	2,522,562	5.1
42 Public Works	41,991,994	17,102,346	-16,250	59,078,090	421.0
44 Human Relations Commission	375,820	0	0	375,820	5.0
45 Transportation Licensing	250,807	0	0	250,807	4.0
46 Caring for Children	822,000	0	0	822,000	82.4
61 Municipal Auditorium	1,908,635	0	0	1,908,635	12.0
64 Sports Authority	193,390	0	0	193,390	2.0
Total - General Funds	\$577,286,123	\$101,778,637	-\$3,746,387	\$675,318,373	7,438.7

**General Fund Revenues
GSD and USD
\$675.3 million**



A	- Property Taxes	- \$342.42	(50.7%)
B	- Local Option Sales Tax	- \$80.58	(11.9%)
C	- Licenses & Permits	- \$75.12	(11.1%)
D	- Fines, Forfeits, & Penalties	- \$8.21	(1.2%)
E	- Fees from Officials	- \$8.29	(1.2%)
F	- Charges for Current Services	- \$21.17	(3.1%)
G	- Federal, State, & Other	- \$91.12	(13.5%)
H	- Use of Money and Property	- \$2.28	(0.3%)
I	- Miscellaneous Revenue	- \$6.28	(0.9%)
J	- Fund Balance	- \$39.85	(5.9%)

General Fund Revenue Sources

The general funds of the GSD and USD, which support the general operation of Metro services, have a number of revenue sources. The most notable of these is the property tax (50.7% of total revenues) that is assessed based on the appraised value of real, personal, and public utility property. Federal, state, and other intergovernmental revenue comprises 13.5% of the general funds' revenues, while the local option sales tax contributes another 11.9%. Other revenue sources include licenses and permits, charges for services, fees from officials, fines and penalties, interfund transfers, and miscellaneous revenue. Unlike most states, Tennessee does not have a state income tax.

The FY 2003 budget is based on the expectation that Nashville's diverse economy will continue to experience sustained and moderate growth in the near future. Nashville has above-average growth in employment and personal income, below-average unemployment rates, low office vacancy rates, and substantial new construction. The positive outlook is balanced with the realization that economic cycles will occur and that the directions of some local and national issues are unknown. Metro will monitor these issues as they develop and will respond to them as necessary.

Funding for the FY 2003 GSD and USD general funds will be derived from the following sources:

Property Tax	\$342,420,449
Local Option Sales Tax	80,577,732
Licenses and Permits	75,116,930
Fines, Forfeits, & Penalties	8,210,473
Fees from Officials	8,287,382
Charge for Current Services	21,173,343
Federal, State, and Other	91,121,184
Use of Money and Property	2,282,665
Miscellaneous Revenue	6,276,031
Fund Balance	39,852,184
Total General Funds	\$675,318,373

Debt Service Fund

Periodically, the government borrows money to finance selected capital improvements (land, buildings, equipment, etc.) contained in the Capital Improvements Budget and Program. This is done by issuing debt – notes and bonds that represent our promise to pay back to borrowers. "Debt service" is the repayment of principal (the amount borrowed) and interest due on that debt. Unlike some cities and counties, Metro does not issue long-term notes and bonds to finance operating expenditures or deficits.

The Council authorizes debt issues in legislation that defines the specific improvements to be financed with that debt issue. The proceeds from the sale of the debt are used to pay for the improvements. The debt may be in the form of long-term bonds (usually maturing over a period of 20-30 years) or shorter-term notes (usually having 3- to 5-year maturity periods). Metro repays the principal and interest over time to those who own the debt.

Debt generally falls into two categories: revenue and general obligation.

- Revenue debt is repaid only from revenues created by the capital improvement. It is accounted for through the enterprise or internal service fund that develops the capital project and receives the revenues it generates.
- General obligation debt is payable from taxes, and is backed by the full faith, credit, and taxing power of the government. Issuance requires passage of an ordinance through three readings before the Council. General obligation debt is repaid from three debt service funds: GSD Debt Service, Schools Debt Service, and USD Debt Service.

The Metropolitan Charter requires that debt service funds be sufficient each year to pay the required principal and interest due on outstanding bonds.

The GSD and USD Debt Service Funds are funded primarily by a dedicated portion of the property tax levies. The Schools Debt Service Fund receives most of its revenue from sales taxes that are allocated to Schools. All three funds also generate revenue from interest on invested cash balances.

The School Fund

The FY 2003 General Purpose School Fund budget totals \$477.6 million.

Revenues for this fund come from the property tax, local option sales tax, and revenue from the federal and state governments. It receives a dedicated portion of the property tax; in FY 2003, \$1.27 of the current real property tax earmarked for the School Fund is expected to generate \$166.5 million. (The School Debt Service fund receives an additional \$.20 of the property tax.) By state law, at least 1/2 of the local sales tax must be allocated to schools; Metro allocates 2/3 of the local option sales tax to schools, or an estimated \$146.2 million in FY 2003. State and federal revenue makes up an additional \$147.0 million of the School Fund budget. The fund's expenditures are budgeted and controlled by the Metropolitan Board of Public Education.

The FY 2003 budget includes funds for:

- \$6,872,759 to increase school resources.
- \$1,409,448 to improve the opening of school and increase time on task.
- \$3,333,116 for additional safety and security measures.
- \$1,435,369 for increased and updated instructional technology.
- A reduction of (\$14,910,716) in savings from reallocations to ensure fairness and equality in program opportunities for students at every school.

Property Tax - Current Year	\$166,515,843
Property Tax - Prior Year	3,302,340
Payments in Lieu of Property Tax	2,945,000
Local Option Sales Tax	146,207,445
Licenses and Permits	2,552,575
Charges for Current Services	2,822,095
Federal and State Governments	147,006,614
Miscellaneous Revenue	2,436,788
Funds Transfers	828,587
Fund Balance Appropriated	2,982,713
Total General Purpose School Fund	\$477,600,000

Enterprise Funds

Convention Center Fund (60162)

\$5,280,474 – 53.0 FTE

The Nashville Convention Center provides citizens of Nashville and Middle Tennessee with a convention, exhibition, and multi-use facility that generates economic impact for the area. The Convention Center operations are financed through revenues generated by facilities and equipment rental and the hotel occupancy privilege tax.

Farmers Market Fund (60152)

\$1,099,329 – 7.5 FTE

The Farmers Market was relocated in FY 1995 and has become a highlight of the State of Tennessee's Bicentennial Mall. The Market provides facilities for vendors for the sale of fresh fruits, vegetables, flowers, and other merchandise that centers on a theme of "made in Tennessee". In addition to the regular market area, there are two restaurants in the interior market and a specialty food market of 15,000 square feet that offers unique food products from across the State and around the world. Revenues from booth and restaurant rental space finance the operation of the Farmers Market.

State Fair Fund (60156)

\$3,816,367 – 19.0 FTE

The State Fair Fund operates the Tennessee State Fair held each September. The fairground facilities are also used to operate a monthly flea market for vendors from Middle Tennessee and surrounding states. The State Fair Fund is supported entirely from rental revenues received for its events.

Water and Sewer Operations Fund (67331)

\$71,280,000 – 718.0 FTE

Water and Sewer Services provides quality water services at an economical price. This fund is used to pay for the operation and maintenance of all water and sanitary sewerage facilities of the Metropolitan Government. Other related funds of the department are used for new construction and improvements to existing facilities.

General Hospital Fund (62269)**\$69,552,942 – 841.0 FTE**

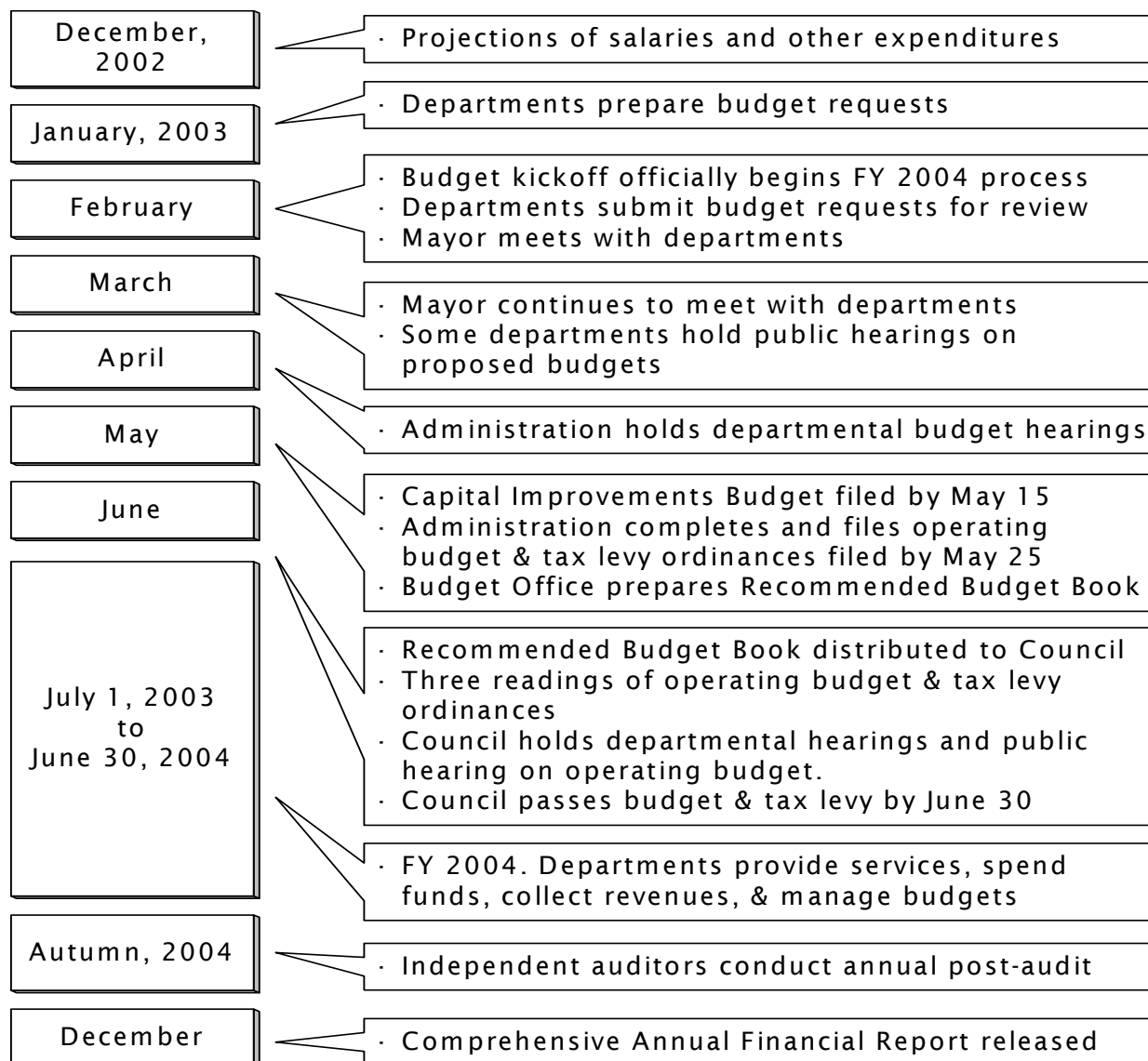
General Hospital, an acute care hospital with 229 licensed beds, provides quality patient care to the medically needy citizens of Metropolitan Nashville and Davidson County. General Hospital's operations have been moved from the GSD General Fund to allow for flexibility in adjusting operations and activities according to changing revenue issues and sources. The GSD General Fund will contribute local revenue to the fund to supplement other revenues produced by hospital activities. This practice will assure the general fund of a more predictable local funding commitment as hospital issues change.

Bordeaux Hospital Fund (62270)**\$30,388,579 – 550.0 FTE**

Bordeaux Hospital, a long-term care chronic disease hospital and nursing facility with 636 licensed nursing beds and 60 hospital beds, provides quality patient care to the medically needy citizens of Davidson County. Like General Hospital, Bordeaux Hospital's operations have been moved from the GSD General Fund to an enterprise fund.

The Budget Process

The budget calendar provides structure to the process of developing Metro's annual operating budget. The tentative calendar for the Fiscal Year 2004 (July 1, 2003 to June 30, 2004) budget process is:



Profile: Metropolitan Nashville and Davidson County

- Population: 565,352 (2001 estimate)
- Mayor/Council, consolidated city-county government
- Tennessee State Capital

CLIMATE

- Annual avg. precipitation: 48.5"
- Annual avg. temperature: 59°F
 - Monthly avg. high temperature: Winter 49° F Summer 89° F
 - Monthly avg. low temperature: Winter 30° F Summer 67° F

HOUSEHOLDS

- Number of households: 237,405
 - Owner Occupied: 131,340
 - Renter Occupied: 106,065

HOUSES OF WORSHIP

- More than 750

SELECTED ECONOMIC INDICATORS

- Average Residential Home Price: \$181,667
- Average Apartment Monthly Rent: \$725
- Building Permits: 9,196
- Cost of living: 93.7 (compared to US average of 100)
- Unemployment rate: 3.8% (2002)
- Major employers:

Vanderbilt University/Medical Ctr.	13,601
HCA (Including Tri-Star Health Sys.)	10,525
Saturn Corporation	7,609
Nissan Motor Manufacturing	6,500
Saint Thomas Health Services	5,790
GEC (Including Opryland Hotel)	4,950
Shoney's Incorporated	3,670
Cracker Barrel, Inc.	3,275
Dell Computer Corporation	3,000
BellSouth	3,000
Bridgestone/Firestone	2,900
Ingram Industries Incorporated	2,880
Wal-Mart Stores Incorporated	2,645

TAXES

- State Sales Tax Rate: 7.00%
- Local Option Sales Tax Rate: 2.25%
- Property Tax (per \$100)
 - General Service District: \$3.84
 - Urban Services District: \$4.58
- State Food Tax: 6.00%
- Income Tax & Lottery: None

EDUCATION

- State and Local Industrial/Vocational Training available
- Schools (K-12): 127 Public; 70 Private and Parochial (Nashville MSA)
- Colleges: 19 (including 2 Medical Schools)
- Libraries: 1,380,652 cataloged collection total FY 2002
3,825,465 circulation total for FY 2002

MEDICAL

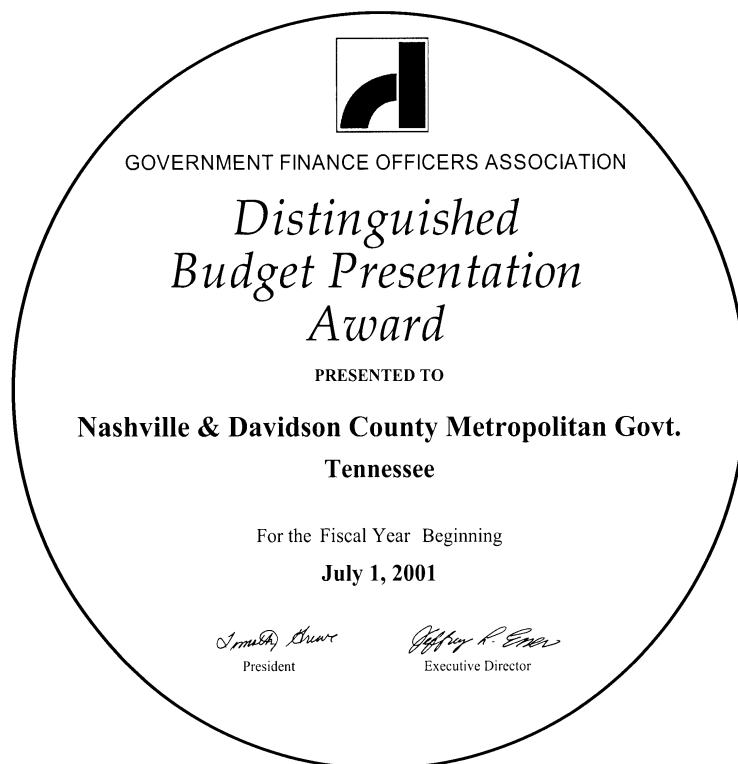
- Facilities: 17 Hospitals, 118 Clinics
- Doctors: 2,771 licensed MDs, 450 Dentists
- Veterans Medical Centers: 2

TRANSPORTATION

- Three major interstates (I-24, I-40, & I-65)
- Railroads: CSX Railroad links to 20 states
 - Motor Freight companies: 140; truck terminals: 150
 - Bus Service: 1 intercity, 1 local
- Navigable Waterway - Port of Nashville, Cumberland River (channel depth: 9')
- Nashville International Airport (longest runway 11,000 feet):
392 daily flights on 17 airlines

PARKS, RECREATION, AND TOURIST ATTRACTIONS

- Metro Parks: 100 (10,237 acres)
 - Golf courses: 15 (8 private)
 - Swimming pools: 14
 - Bowling alleys: 11
 - Lakes: 2 with boating & camping
 - Centennial Sportsplex
 - Tennis Courts: 167
 - Nashville Zoo
 - Ryman Auditorium
 - Parthenon
 - Frist and Centennial Art Gallery
 - Performing Arts Center
 - Tennessee State Museum
 - NFL football (Tennessee Titans)
 - NHL hockey (Nashville Predators)
 - AAA baseball (Nashville Sounds)
 - Hotels/Motels (22,900 rooms)
 - Largest meeting room capacity:
55,314 sq ft
 - Restaurants: 2,700
-



Distinguished Budget Presentation Award

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the Metropolitan Government of Nashville and Davidson County, Tennessee for its annual budget for the fiscal year beginning July 1, 2001.

The GFOA is the leading association for government finance professionals in North America. GFOA's Distinguished Budget Presentation Awards Program is the only national awards program in governmental budgeting.

The award was given for our two-volume FY 2002 Operating Budget Book set. In order to receive this award, we were required to publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

This is our eleventh year to win this award, which is valid for a period of one year. We believe that our current budget continues to conform to program requirements and are submitting it to GFOA to determine its eligibility for another award.

We also hold the Certificate of Achievement for Excellence in Financial Reporting from GFOA for our *Comprehensive Annual Financial Report*, most recently for the fiscal year ended June 30, 2001.